

Capitola City Council

Agenda Report



Meeting: February 22, 2024

From: Public Works Department

Subject: Update on the Wharf Resiliency and Public Access Project

Recommended Action: Approve Change Order 5 to the Public Works Agreement with Cushman Contracting for the Wharf Project in an amount not to exceed \$1,913,000 (for a total contract amount of \$10,227,000) and adopt a resolution amending the FY 2023-24 Adopted Budget to allocate an amount not to exceed \$1,264,000 in funding for the additional project expenditures.

Background: The Capitola Wharf is currently undergoing a major renovation through the Wharf Resiliency and Public Access Project. The Project is focused on crucial elements such as widening the Wharf, fixing failing pilings, replacing the deck, and adding new restroom facilities. The project aims to ensure the Wharf's long-term resilience. Construction by Cushman Contracting began in September 2023 and has been making steady progress since then.

During the February 8, 2024, City Council meeting, staff reported additional damage from the storm event on December 28, 2023. This included broken piles, exposed drift pins, and splintered timber piles, particularly between newly constructed Bents 27 and 30. The Wharf House Restaurant suffered severe damage and was subsequently deemed a total loss. Assessment of the Boat and Bait building was incomplete as of the last meeting.

Discussion: The Boat and Bait property has been red-tagged since January 2023, with intermittent tenant access. The property encompasses boats on deck, retail items in the shop, and boating and fishing equipment in the garage.

A structural evaluation conducted by the City Engineer and Building Official brought to light foundation issues, including cracking, corrosion, general deterioration, and non-compliance with current codes. Notable vulnerabilities to water intrusion and inadequate weather protection for doors and windows were observed.

Staff met with local contractors to evaluate options to repair the building, specifically raising the building, replacing the foundation and then bringing the building up to current code standards. However, it was deemed impractical as the cost for building renovation would have likely exceeded the cost for new custom construction due to construction challenges and the extensive structural damage to the building.

Retrieval of belongings from Boat and Bait is currently in progress. These items are stored temporarily, along with salvageable boats, in the lower Pacific Cove Parking Lot. The Capitola Wharf Resiliency Project will progress sequentially, including the demolition of Boat and Bait, hazardous material abatement, Wharf House demolition, repair of Wharf structural elements, and deck replacement. This process may extend the project by an additional six weeks to two months.

Fiscal Impact: The fiscal impacts of the demolition of the Wharf House and Boat and Bait properties are substantial, with an estimated \$1M budget for demolition plus an additional \$500,000 to rebuild the Wharf under the location of the buildings. Additional repair work at the head of the Wharf is quantified at \$100,000. Staff is evaluating options for building demolition and will present any additional options at the hearing.

The overall project budget is detailed below.

Wharf Resiliency and Public Access Project Budget

<u>Funding</u>	
Coastal Conservancy Grant	\$1,900,000
HUD Grant	\$3,500,000
Measure F	\$2,500,000
Insurance from January 2023 Storm Damages	\$1,000,000
California Natural Resources Agency	TBD
FEMA	TBD
CWEP Fundraising	\$400,000
Total Project Funding	\$9,300,000
<u>Expenses</u>	
Initial Contract (inclusive of January 2023 Storm Damage)	\$7,740,000
Change Order 1	\$104,300
Change Order 2	\$43,000
Change Order 3	\$213,700
Change Order 4 - Storm Damage (December 2023)	\$213,000
CWEP – Cushman Construction	\$313,000
CWEP – Non-Cushman Items	\$337,000
Building Demolition	\$1,000,000
Repair Work Under Buildings	\$500,000
Head of Wharf Repair	\$100,000
Total Project Costs to Date	\$10,564,000
<u>Available Funds</u>	
Projected Deficit	\$1,264,000

An allocation of \$250,000 has been designated for ancillary enhancements to the Capitola Wharf through the Capitola Wharf Enhancement Project (CWEP). The estimated cost for the procurement and installation of CWEP elements most suitably handled by Cushman (lighting, furniture, viewing stations) is \$313,000. A potential project cost savings could involve revisiting the placement of the restroom at the Wharf's end, which could lead to an approximate cost reduction of \$300,000, however, restrooms have previously been determined to be an important project component.

The original construction contract signed with Cushman Contracting amounted to \$7.74 million. Before the occurrence of the December storm, change orders were executed totaling \$361,000. The subsequent storm damage repairs incurred an additional \$213,000, resulting in a cumulative change order of \$574,000 and a revised contract amount of \$8.31M. The contract with Cushman Contracting was originally approved to authorize staff to execute change orders up to 10% of the contract value. With the addition of the building demolition and related repair work, repairs on the head of the Wharf, and the associated costs with implementing the Capitola Wharf Enhancement Project (CWEP), staff recommends a change order to the Public Works Agreement with Cushman Contracting in an amount not to exceed \$1,913,000 (for a total contract amount of \$10,227,000) and budget amendment in an amount not to exceed \$1,264,000. The initial construction budget for this project was \$8,900,000, with this change order the project is approximately 15% above the engineers estimate.

Coordination with FEMA for financial assistance is ongoing, recognizing the potential for additional damage reimbursement in the future. Funding from the California Natural Resources Agency continues to be on hold, with uncertainty about availability until at least July.

Attachments:

1. Budget Amendment Resolution

Report Prepared By: Jessica Kahn, Public Works Director

Reviewed By: Julia Gautho, City Clerk

Approved By: Jamie Goldstein, City Manager